

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Lynn Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 14, 2019

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on September 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.40% to 7.25% and a revised mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Enc.



**Lynn Retirement System
January 1, 2019 Actuarial Valuation**

Total Cost 4.0% increasing until FY21, 5.0% until FY33 with final amortization payment FY34

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Total Cost</u> <u>% Increase</u>
2020	7,068,927	450,000	26,199,244	856,520	34,574,691	337,930,715	
2021	7,387,029	450,000	28,120,650		35,957,679	333,747,846	4.0%
2022	7,719,445	450,000	29,586,117		37,755,563	328,132,793	5.0%
2023	8,066,820	450,000	31,126,520		39,643,341	320,557,050	5.0%
2024	8,429,827	450,000	32,745,680		41,625,508	310,799,025	5.0%
2025	8,809,170	450,000	34,447,613		43,706,783	298,617,011	5.0%
2026	9,205,582	450,000	36,236,540		45,892,122	283,747,516	5.0%
2027	9,619,833	450,000	38,116,895		48,186,728	265,903,473	5.0%
2028	10,052,726	450,000	40,093,339		50,596,065	244,772,302	5.0%
2029	10,505,099	450,000	42,170,769		53,125,868	220,013,817	5.0%
2030	10,977,828	450,000	44,354,333		55,782,161	191,257,979	5.0%
2031	11,471,830	450,000	46,649,439		58,571,270	158,102,463	5.0%
2032	11,988,063	450,000	49,061,770		61,499,833	120,110,043	5.0%
2033	12,527,526	450,000	51,597,299		64,574,825	76,805,768	5.0%
2034	13,091,264	450,000	27,996,619		41,537,883	27,673,923	-35.7%
2035	13,680,371	450,000			14,130,371	0	-66.0%

All amounts assume payments will be made September 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$1,200,000.

FY20 amount maintained at level of current funding schedule.